

Attachment 4.A.29

AGREEMENT FOR PURCHASE AND SALE OF THE STOCK OF
SBCS SWITCHES, INC.

This Agreement is made and entered into as of the 2nd day of October, 1997, by and between SOUTHWESTERN BELL COMMUNICATIONS SERVICES, INC., a Delaware corporation ("SBCS"), and SOUTHWESTERN BELL TELEPHONE COMPANY, a Missouri corporation ("SWBT").

WHEREAS, SBCS is the owner of all of the outstanding capital stock of SBCS Switches, Inc., a Delaware corporation, ("SBCS Switches"); and

WHEREAS, SWBT desires to purchase from SBCS, and SBCS desires to sell to SWBT, all the outstanding capital stock of SBCS Switches, upon the terms set forth herein:

NOW, THEREFORE, SBCS and SWBT agree as follows:

1. SBCS agrees to sell and does hereby sell and transfer to SWBT, and SWBT agrees to purchase and does hereby accept the sale and transfer of 1,000 shares, par value of \$1 per share of SBCS Switches, Inc.
2. SWBT agrees to pay and herewith does pay SBCS \$26,299,629, such amount being based on the lesser of the net book value or fair market value of assets held by SBCS Switches at the date hereof. Attachment A hereto is a list of assets held by SBCS Switches, including the net book value of the assets and the fair market value of the assets.
3. If at any time before January 15, 1998, SBCS or SWBT determines that Attachment A was inaccurate in the description of assets held by SBCS Switches at the time of the transfer or in the representation of the net book value or fair market value of the assets, then Attachment A will be revised to correct the error, and SBCS shall promptly refund any excess payment and SWBT shall promptly make up any shortage so that the purchase price of 1,000 shares of SBCS Switches, Inc. paid to SBCS shall be the lesser of the adjusted net book value or the adjusted fair market value of the assets.

IN WITNESS WHEREOF, SBCS and SWBT have caused this Agreement to be executed in duplicate counterparts, each of which will be deemed an original instrument, by their duly authorized representatives as of the date set forth above.

SOUTHWESTERN BELL
COMMUNICATIONS SERVICES, INC.

By: 

David W. Dorman
President and Chief Executive Officer

SOUTHWESTERN BELL TELEPHONE
COMPANY

By: 

J. Cliff Eason
President and Chief Executive Officer

**ATTACHMENT A TO THE AGREEMENT BETWEEN SBCS AND SWBT
DATED OCTOBER 2, 1997**

SBCS Switches, Inc.	<i>Fair Market Value</i>	<i>SBCS Book Value</i>	<i>Lesser of Market or Book</i>
	<i>in millions</i>	<i>in millions</i>	<i>in millions</i>
4 DMS-250 Switches	17.99	20.44	17.99
Transportation System	5.56	6.73	5.56
Lease Hold Improvements	1.15	3.56	1.15
Miscellaneous Equipment	1.60	2.14	1.60
GRAND TOTAL	26.30	32.87	26.30

Attachment B

GENERAL SERVICES AGREEMENT

Southwestern Bell Telephone Company, a Missouri corporation (hereinafter "Seller"), agrees to provide Service to Pacific Bell Communications, a California corporation (hereinafter "Buyer"), in accordance with the terms and conditions stated herein.

ARTICLE 1. SERVICES

Service as used herein are those required from time to time by Buyer in the order of the course of its business.

ARTICLE 2. INVOICING

Billing for Services will be rendered on a monthly basis, in arrears. Invoices will be due and payable net thirty (30) days from the invoice date. All late payments will be subject to a late charge fee of 1.50% per month on the unpaid balances.

ARTICLE 3. TAXES

Any tax or other amount which Seller may be required to pay to or collect for a government agency upon or with respect to the Services rendered hereunder, or the use or delivery of any products or parts thereof on behalf of Buyer, will be billed to Buyer as separately stated charges. In the event Buyer disputes the taxability of an item hereunder, Seller will continue to collect such tax unless and until Buyer provides Seller with documentation authorized and prescribed by the taxing authority, such as a certificate of exemption, relieving Seller from liability for the collection and payment of such tax.

ARTICLE 4. DOCUMENTATION

Each party agrees to keep complete and accurate records pertaining to the Services being performed under this Agreement, and to make such records available to the other party upon request. Upon request, Buyer will provide to Seller such reports and information concerning its operations as may be necessary for Seller to perform its obligations hereunder.

ARTICLE 5. PROVISION OF INFORMATION

Except as provided herein, any specifications, diagrams, sketches, models, examples, tools, computer or other apparatus, programs, software, technical or business information, written, oral or otherwise (all hereinafter collectively referred to as "Information"), furnished by one party (hereinafter referred to as the "Disclosing Party") furnished by the other party (hereinafter referred to as the "Receiving Party") under this Agreement or in contemplation of this Agreement will remain the property of the Disclosing Party. All copies of such information will be returned to the Disclosing Party upon request. Unless such information was previously known to the Receiving Party free of any obligation to keep it confidential, or is subsequently made public by the Disclosing Party, it will be kept confidential by the Receiving Party and used only for the purpose of performing under this Agreement.

It is understood that the Receiving Party may be required to furnish information to judicial, regulatory or administrative bodies. In such an event, the Receiving Party will promptly notify the Disclosing Party of such requirement and will cooperate with the Disclosing Party should the Disclosing Party desire to seek a protective order to prevent the public disclosure of its information.

ARTICLE 6. COMPLIANCE WITH LAWS

Both parties agree to comply with the provisions of the Fair Labor Standards Act of 1938, as amended, and all other applicable federal and state laws, rules, regulations and codes with which they are obligated to comply in the performance of this Agreement, including the procurement of permits and certificates where needed. Both parties further agree not to discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or handicap, and to comply with all applicable federal and state laws, orders, rules and regulations on this subject during the performance of this Agreement.

This Agreement shall be subject to any and all applicable federal, state and local laws, regulations, and ordinances, as well as any applicable tariffs. To the extent necessary, the parties agree to amend this Agreement to conform to the requirements of any such laws, regulations, ordinances or tariffs.

All employees or agents of Seller engaged in the performance of this Agreement will be considered solely the employees of Seller and will not be considered employees or agents of Buyer for any purpose whatsoever.

ARTICLES 7. NOTICES

Any notice, invoice or demand which under the terms of this Agreement or otherwise must or may be given or made by Seller or Buyer will be in writing and addressed to the respective parties as follows:

To Buyer: Pacific Bell Communications
5850 West Las Positas Blvd., Room 147
Pleasanton, CA 94588
Attn: Dennis Hall

To Seller: Southwestern Bell Telephone Company
One Bell Center, Room 38-P-1
St. Louis, MO 63101
Division Manager-State Regulatory/Public Affairs

The above addresses may be changed at any time by giving thirty (30) days' prior written notice as provided above.

ARTICLE 8. SEVERABILITY

If any of the provisions of this Agreement are deemed to be invalid or unenforceable, such invalidity or unenforceability will not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement will be construed as if not containing the particular invalid or unenforceable provision(s), and the rights and obligations of the parties will be construed and enforced accordingly.

ARTICLE 9. ASSIGNMENT

Neither party may assign its obligations, rights or interests under this Agreement without first obtaining the written approval of the other party hereto. All obligations and duties of any party under this Agreement will be binding upon all successors-in-interest and assigns of such party.

ARTICLE 10. CHOICE OF LAW

The construction, interpretation and performance of this Agreement will be governed by the domestic laws of the State of Missouri.

ARTICLE 11. TERM

This Agreement will become effective when executed by both parties and will continue in full force and effect until terminated by either party upon thirty (30) days' prior written notice. Termination of this Agreement will also constitute termination of all Schedules attached hereto then in effect. On the other hand, an individual Schedule may be terminated by either party hereto, as provided in such Schedule, without terminating this Agreement in its entirety or any other Schedules then still in effect.

ARTICLE 12. ENTIRE AGREEMENT

The terms and conditions contained in this Agreement supersede all prior oral or written understandings between the parties pertaining to the subject matter hereof and constitute the entire agreement between them. This Agreement may not be modified or amended, except by a written instrument signed by both parties.

ARTICLE 13. PUBLICITY

Buyer agrees not to advertise, or otherwise make known to others, any information regarding this Agreement.* Buyer further agrees not to use in any advertising or sales promotion, press releases or other publicity matters any endorsements, direct or indirect quotes, or pictures implying endorsement by Seller or any of its employees without Seller's prior written approval. Buyer will submit to Seller for written approval, prior to publication, all publicity matters that mention or display Seller's name and/or marks or contain language from which a connection to said name and/or marks may be inferred or implied.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate original counterparts as of the date first set forth below.

PACIFIC BELL COMMUNICATIONS
("Buyer")

BY Karl M. Smith

TITLE Vice President - Regulatory

DATE 12/24/97

SOUTHWESTERN BELL TELEPHONE
COMPANY ("Seller")

BY Emily J. Smith

TITLE Dir. Mgr. State Reg./Pub. Affairs

DATE 12/9/97

*Other than as required according to FCC regulations.

Attachment B.1

SERVICE: TREASURY

The following provisions will apply to Treasury Services (the "Services") furnished to Buyer by Seller pursuant to this Schedule and the General Services Agreement (the "Agreement") to which it is attached and of which it forms a part:

Section 1. SCOPE OF SERVICES

Services covered under this Schedule will include but not be limited to the following: paydraft distribution, paydraft and payroll related voucher draft reconciliation, direct deposit and political action committee services.

Section 2. PRICE

Buyer agrees to pay for the Services provided by Seller in accordance with the fee schedules set forth in individual Pricing Addenda attached hereto from time to time and by this reference made a part hereof.

Section 3. TERM

This Schedule will cover the period from September 1, 1997 to December 31, 1997, and will continue thereafter until canceled in writing by either party, as provided in the Agreement.

IN WITNESS WHEREOF, the parties have caused this Schedule to be executed, in duplicate, by their duly authorized representatives as of the dates set forth below.

BUYER:

Pacific Bell Communications

By: Karl M. Sney

Title: VIC PRESIDENT - REGULATORY

Date: 12/24/97

SELLER:

Southwestern Bell Telephone Company

By: Dwight King

Title: Div Mgr. State Reg/Pub Affs.

Date: 12/9/97

TREASURY
PRICING ADDENDUM
1997

- a. The fees to be paid by Buyer for the Services to be provided by Seller pursuant to this Schedule 018 will be as follows: (1)

Voucher Draft Process & Distribution \$2,217.34/Month

Postage will be billed direct to Buyer as incurred.

- b. Coordinators for the Services to be provided pursuant hereto will be as follows:

Buyer: Associate
Pacific Bell Communications
5850 West Las Positas Blvd., Room 147
Pleasanton, CA 94588

Seller: Manager-Treasury
Southwestern Bell Telephone Company
801 Chestnut B1-2C-5
St. Louis, MO 63101

BUYER: Karl M. Sney SELLER: Jan Smith
DATE: 12/24/97 DATE: 12/19/97

- (1) For billing purposes, the identification number will be 105-018-010.

Invoices will be due and payable net thirty (30) days from the invoice date. All late payments will be subject to a charge of 1.50% per month on the unpaid balance.

Attachment 4.B.2

SERVICE: GENERAL LEDGER SUPPORT

The following provisions will apply to General Ledger Support furnished to Buyer by Seller pursuant to this Schedule and the General Services Agreement (the "Agreement") to which it is attached and of which it forms a part:

Section 1. SCOPE OF SERVICES

Services covered under this Schedule will include but not be limited to functions performed by Seller's Finance department as hereafter specifically described in the individual Pricing Addenda attached hereto.

Section 2. PRICE

Buyer agrees to pay for the Services provided by Seller in accordance with the fee schedules set forth in individual Pricing Addenda attached hereto from time to time and by this reference made a part hereof.

Section 3. TERM

This Schedule will cover the period from September 1, 1997 to December 31, 1997, and will continue thereafter until canceled in writing by either party, as provided in the Agreement.

IN WITNESS WHEREOF, the parties have caused this Schedule to be executed, in duplicate, by their duly authorized representatives as of the dates set forth below.

BUYER:

Pacific Bell Communications

By: Kurt M. Sney

Title: VICE PRESIDENT - REGULATION

Date: 12/24/97

SELLER:

Southwestern Bell Telephone Company

By: Jimmy Thompson

Title: Dir Mgr State Reg / Pub Affairs

Date: 12/9/97

GENERAL LEDGER SUPPORT
PRICING ADDENDUM
1997

- a. The fees to be paid by Buyer for the Services to be provided by Seller pursuant to this Schedule 117 will be as follows:*

Hourly labor rates: (2)

Third level	\$ 190.00/hour
Second level	\$ 155.00/hour
First level	\$ 178.00/hour
Clerical	\$ 95.00/hour

- b. Coordinators for the Services to be provided pursuant hereto will be as follows:

Buyer: Associate
Pacific Bell Communications
5850 West Las Positas Blvd., Room 147
Pleasanton, CA 94588

Seller: Secretary Director
Southwestern Bell Telephone Company
One Bell Center, Room 27-B-2
St. Louis, MO 63101

*However, in no case shall Seller provide services to Buyer in excess of 20 hours per month without approval of Susan Johnson, the Buyer representative.

BUYER: Karl M. Sney SELLER: Jan Smith
DATE: 12/24/97 DATE: 12/19/97

(1) For billing purposes, the identification number will be 105-117-002.

Invoices will be due and payable net thirty (30) days from the invoice date. All late payments will be subject to a charge of 1.50% per month on the unpaid balance.

Attachment 4.B.3

Schedule 118
 General Services Agreement
 Contract No. 979943
 Page 1 of 1

SERVICE: ACCOUNTS PAYABLE SUPPORT

The following provisions will apply to Accounts Payable Support furnished to Buyer by Seller pursuant to this Schedule and the General Services Agreement (the "Agreement") to which it is attached and of which it forms a part:

Section 1. SCOPE OF SERVICES

Services covered under this Schedule will include but not be limited to functions performed by Seller's Finance department as hereafter specifically described in the Individual Pricing Addenda attached hereto.

Section 2. PRICE

Buyer agrees to pay for the Services provided by Seller in accordance with the fee schedules set forth in individual Pricing Addenda attached hereto from time to time and by this reference made a part hereof.

Section 3. TERM

This Schedule will cover the period from September 1, 1997 to December 31, 1997, and will continue thereafter until canceled in writing by either party, as provided in the Agreement.

IN WITNESS WHEREOF, the parties have caused this Schedule to be executed, in duplicate, by their duly authorized representatives as of the dates set forth below.

BUYER:

Pacific Bell Communications

By: Karl M. Sney

Title: VICE PRESIDENT - REGULATORY

Date: 12/24/97

SELLER:

Southwestern Bell Telephone Company

By: John Thompson

Title: Dir Mgr State Reg/Pub Affairs

Date: 12/9/97

ACCOUNTS PAYABLE SUPPORT
PRICING ADDENDUM
1997

- a. The fee to be paid by Buyer for the Services to be provided by Seller pursuant to this Schedule 118 will be as follows:

Accounts Payable support (1) \$ 10.97/person/month

- b. Coordinators for the Services to be provided pursuant hereto will be as follows:

Buyer: Associate
Pacific Bell Communications
5850 West Las Positas Blvd., Room 147
Pleasanton, CA 94588

Seller: Area Manager-Disbursement Operations
Southwestern Bell Telephone Company
One Bell Center, 29-C-2
St. Louis, MO 63101

BUYER: Karl M. Sung SELLER: Jane Smith
DATE: 12/24/97 DATE: 12/19/97

(1) For billing purposes, the identification number will be 105-118-001.

Invoices will be due and payable not thirty (30) days from the invoice date. All late payments will be subject to a charge of 1.50% per month on the unpaid balance.



Attachment 4.C

Category of Service	General Description of Service	Specific Service Elements
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A. Active Services - Non
tariffed*

General Services Agreement

950300 establishes the business relationship between SWBT and SBCS. All Schedules are attached by reference to the General Services Agreements Effective Date - 9/16/95

002 - Human Resources Support - Services covered under this Schedule consist of those functions performed by SWBT's Human Resource Department. Effective Date - 1/8/97

Consultation on specific benefit issues - Administrative Support of specific benefit issues - Assistance in Staffing requirements.

005 - Nonmanagement Employment Support - Services covered under this Schedule consist of employment testing and hiring services. Effective Date - 5/21/97

Specific services include recruitment, testing, interviewing and referral of Nonmanagement candidates. SBCS retains ultimate control of all hiring decisions.

017 - Official Communications Services - Services covered under this Schedule consist of functions performed by SWBT's internal official communications organization Effective Date - 4/9/97

Specific services include access to SWBT's internal audio conference facility, shared access to Local Area Network administrative services (i.e. Excel, Mail, etc.), coordination of PC acquisition

025 - Real Estate Management - Services covered under this Schedule consist of functions performed by SWBT's internal real estate management organization. Effective Date - 3/4/96

Specific services include architectural planning, design and construction for administrative floor space, furniture inventory, furniture leasing and administrative floor space leasing.

026 - Temporary Labor Services - Services covered under this Schedule include the provision of temporary labor support, when available, for various activities Effective Date - 2/21/96

Specific services provided include accounting payroll support, budget analysis support, clerical support, Bellcore maintenance support, and general administrative consultation.

Category of Service	General Description of Service	Specific Service Elements
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* Services provided by SWBT to SBLD are priced at the greater of fully distributed cost or estimated fair market value

037 - InterLATA Communications - Specific services provided include
 Services covered under this SWETN usage for SBCS internal
 Schedule consist of access to administrative traffic.
 SWBT's internal communications
 tandem network (SWETN)
 Effective Date - 9/27/95

039 - Purchasing and Contracting - Specific services provided include
 Services covered under this ordering stock items, negotiation of
 Schedule consist of functions contract for non-stock items, ability
 performed by SWBT's Procurement to order stock forms, consultation
 organization. Effective Date - of procurement processes,
 9/27/95 consultation of commercial print
 procurement, intra-company
 motorized mail.

047 - Revenue and Public Affairs - Specific services provided include
 Services covered under this consultation on state regulatory
 Schedule consist of the ongoing issues, and consultation on federal
 review of legislative activities that regulatory issues.
 may impact SBCS. Effective Date
 2/25/97

084 - Bellcore Support - Services Specific services provided include
 covered under this Schedule administrative support to order
 consist of requests for technical miscellaneous technical documents
 documentation. Effective Date - from Bellcore, and Ntwk Mgmt
 9/18/96 Svcs Bureau documents.

110 -Fulfillment Services - Services Specific services provided include
 covered under this Schedule planning for the production and
 consist of producing mail house distribution of Calling Cards and
 fulfillment services. Effective Date Direct Mail media.
 5/21/97

117 - General Ledger Support - Specific services provided include
 Services covered under this consultation and production of
 Schedule consist of those functions SBCS general ledger.
 performed by the Finance
 department. Effective Date -
 8/21/97

118 - Accounts Payable Service - Specific services provided include
 Services covered under this the processing of SBCS accounts
 Schedule consist of support for payable.
 accounts payable processing.
 Effective Date - 5/21/97